

How to Prepare for CMS' New APP Billing Changes—and Increase Patient Access

A new Medicare final rule taking effect on January 1, 2024, requires provider organizations to bill for joint visits with physicians and advanced practice providers (APPs) with greater distinction than they have in the past. These anticipated changes to split/shared billing practices will have far-reaching impacts on financials, provider productivity and compensation, care team dynamics, and beyond.

While the rule change has been delayed previously, all organizations need to prepare for these changes—and those that do so strategically can improve their financial picture while also increasing their patients' access to care.

How Will Billing Change?

- **Through the end of 2023**, historic billing practices can still apply for ambulatory visits. (When a physician and APP in the same group both contribute to an E/M visit, the visit may be billed under the physician's name if the physician has had some face-to-face interaction with the patient.)
- **Starting in 2024**, when a visit is performed jointly by a physician and APP in the same group, the visit must be billed by the provider who performed the "substantive portion" of the visit.
- **The definition of "substantive portion"** is more than half the total time of the visit.

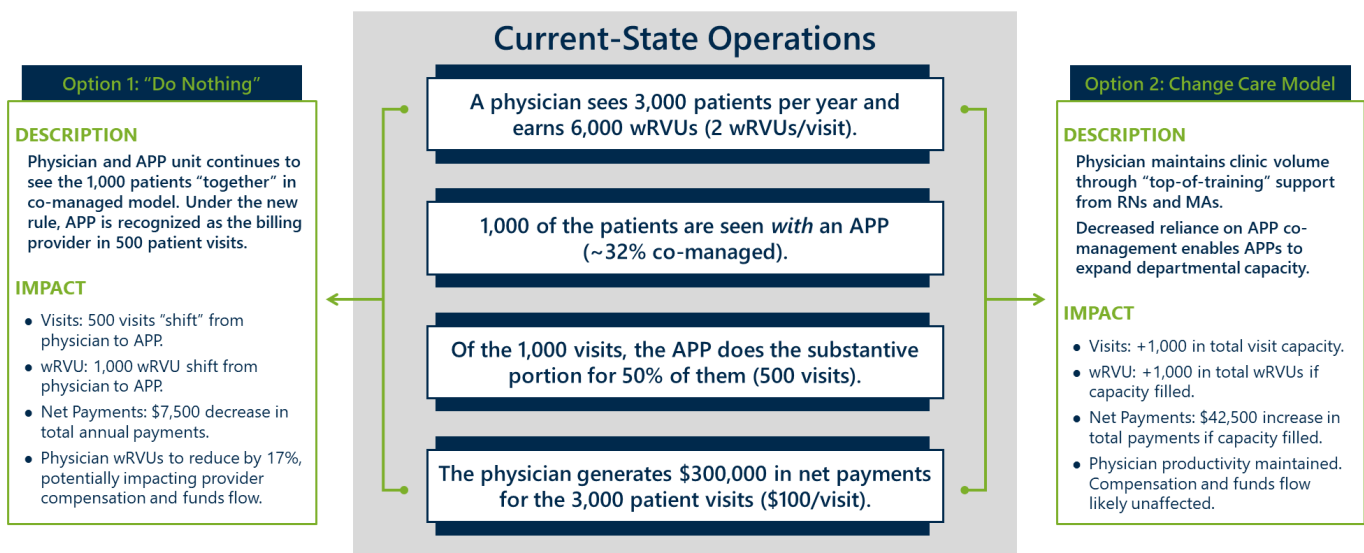
What This Means for Provider Organizations

- **Documentation & compliance:** Organizations will need to designate in their documentation split/shared visits and time spent providing care by both providers.
- **Revenue:** Because of the fee schedule differential between APPs and physicians (APPs are paid 85% of the 100% physicians are paid by CMS), organizations risk seeing reduced revenue if they continue with historic visit and billing practices.
- **Operational & care model changes:** Organizations will likely need to navigate pressure from their physicians to move to visit models that preserve their revenue and/or wRVUs.
- **Provider compensation/incentives:** The shift in revenue and/or wRVUs may require adjustments to many provider compensation plans to avoid unintended changes to compensation levels related to attributed wRVU generation.
- **Funds flow:** Organizations should evaluate how their current APP funding approaches and models based on physician productivity may need to change (based on the wRVUs shifting between APPs and physicians).

What Provider Organizations Need to Do Now

- The visit volume and financial impact will diverge, depending on each organization's approach. Across large medical groups, the change in APP billing can significantly impact attribution of patient visits, wRVUs, and net payments. Not making any changes in response to this billing change will reduce CMS payments by millions for medical groups with a sizable APP workforce.
- In the illustrative example below, it's easy to see how changing the visit model and corresponding documentation can deliver meaningful results for the organization and its patients.

Illustrative Scenario for a Single Physician-APP Care Team



Are You Ready? We can help.

Contact us to learn more about how to comply with the new CMS billing changes for split/shared visits while increasing financial sustainability and access to care.

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